

Message Text

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ACTION OES-07

INFO OCT-01 ARA-14 ISO-00 CEQ-01 AID-05 CIAE-00 SOE-02
COME-00 DODE-00 EB-08 EPA-04 INR-07 IO-14 L-03
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DOE-11 INT-05 AGRE-00 /126 W
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FM AMEMBASSY BRASILIA
TO SECSTATE WA HDC 5818

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E.O. 11652: N/A
TAGS: SENV
SUBJECT: DATA FOR THE YEAR 2000 STUDY

REF: STATE 002024

1. IN THE AREA OF FORESTRY, THE EMBASSY CONTACTED BRAZILIAN INSTITUTE FOR FOREST DEVELOPMENT (IBDF), WHICH, HOWEVER, HAD VERY LITTLE TO CONTRIBUTE IN TERMS OF DATA ON DEFORESTATION AND REFORESTATION IN BRAZIL. MOST OF FOLLOWING DATA WERE TAKEN FROM ARTICLE ON SUBJECT WHICH RECENTLY APPEARED IN THE JORNAL DO BRASIL (WRITTEN BY JOURNALIST JOSE GONCALVES FONTES). MATERIAL FOR ARTICLE WAS, ACCORDING TO FONTES HIMSELF, COLLECTED THROUGH RESEARCH AND INTERVIEWS WITH BRAZILIAN OFFICIALS AND BUSINESSMEN FROM THE 500 BRAZILIAN PRIVATE COMPANIES WHICH OPERATE IN THE AREA OF REFORESTATION IN BRAZIL.

2. BRAZIL HAD ORIGINALLY ABOUT 5.2 MILLION SQUARE KILOMETERS OF NATURAL FOREST AREA. IT NOW HAS LESS THAN 3.5 MILLION. EIGHTY PERCENT OF BRAZIL'S CURRENT FORESTS ARE CONCENTRATED IN THE AMZON AREA, AND THE MOST DEFORESTED AREAS ARE LOCATED IN THE SOUTHERN AND SOUTHEASTERN REGIONS OF THE COUNTRY. AMAZON
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REGION HAS LOST 840 THOUSAND SQUARE KILOMETERS OF FORESTS, WHICH CORRESPONDS TO 24 PERCENT OF ITS ORIGINAL RESERVE. EXPERTS HAVE REPORTEDLY ESTIMATED THAT IF CURRENT DEFORESTATION RATES CONTINUE, AMAZON FOREST WILL DISAPPEAR IN LESS THAN 30 YEARS.

3. IBDF SOURCES HAVE REPORTEDLY STATED THAT TREE

CUTTING IN BRAZIL HAD TOTALED ABOUT 160 MILLION CUBIC METERS, 120 MILLION OF WHICH WERE USED AS FIREWOOD OR IN THE PRODUCTION OF CHARCOAL. ONLY 40 MILLION CUBIC METERS WERE USED IN THE PRODUCTION OF HIGHER VALUED MATERIALS, SUCH AS LUMBER, ESSENTIAL OILS, AND PULP. DEFORESTATION FIGURES IN SOME STATES IN BRAZIL ARE: PARANA-370 THOUSAND HECTARES PER YEAR; STATE HAS LOST 70 PERCENT OF ITS NATIVE RESERVES IN LAST 10 YEARS. RIO GRANDE DO SUL: 8, LAST 20 YEARS THE STATE'S ORIGINAL RESERVES HAVE DECREASED FROM 43.3 PERCENT TO 1.8 PERCENT. MINAS GERAIS: IN LAST 15 YEARS THE STATE HAS LOST 3 MILLION HECTARES OF DENSE FOREST AND 6.5 MILLION HECTARES OF SAVANNAS (CERRADOS) SAO PAULO: 80 PERCENT OF STATE TERRITORY WAS COVERED BY FOREST A CENTURY AGO. THAT PERCENTAGE IS NOW REDUCED TO 7 PERCENT. UNTIL 1966, TOTAL THOUSAND HECTARES, 400 THOUSAND OF WHICH WAS LOCATED IN SAO PAULO.

4. IN VIEW OF SERIOUSNESS OF THE DEFORESTATION PICTURE IN BRAZIL ALREADY BY 1966, GOB DECIDED TO ADOPT A REFORESTATION PROGRAM THROUGH WHICH IT DELEGATED TO PRIVATE SECTOR TASK OF PROVIDING RAW MATERIAL NECESSARY TO MEET DEMAND FOR WOOD, IN ALL ITS VARIED APPLICATIONS. LAW WHICH CREATED THE PROGRAM (NO. 5,106 OF 1966) PROVIDED THAT INVEST-
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MENTS IN COMPANIES WHICH OPERATED IN AREA OF REFORESTATION COULD BE DEDUCTED FROM INCOME TAX TO BE PAID BOTH BY CORPORATIONS AND PRIVATE INDIVIDUALS. THIS FISCAL INCENTIVE PROGRAM WAS HIGHLY SUCCESSFUL UNTIL 3 YEARS AGO, WHEN RESOURCES FOR REFORESTATION STARTED TO DECREASE. FOLLOWING FIGURES SHOW SUCCESS

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OF THE PROGRAM IN ITS 1# YEARS OF EXISTENCE: BEFORE THE PROGRAM ANNUAL NATIONWIDE PLANTING RATE WAS LESS THAN 40 THOUSAND HECTARES PER YEAR. CURRENT RATE IS OF ORDER OF 300 TO 400 THOUSAND HECTARES PER YEAR. 470 THOUSAND HECTARES WERE PLANTED IN 1976, AND PLANTING RATE MAY BE AS HIGH AS 00 THOUSAND HECTARES IN THE FUTURE, IF ADEQUATE RESOURCES ARE ALLOCATED TO SECTOR. 500 PRIVATE COMPANIES ARE CURRENTLY ENGAGED IN REFORESTATION IN BRAZIL. REFORESTED AREA HAS PRACTICALLY DOUBLED SINCE 1966. 2.5 MILLION HECTARES, REPRESENTING 5.6 MILLION TREES HAVE BEEN PLANTED. BRAZIL IS NOW SURPASSED IN REFORESTATION PRACTICES ONLY BY THREE COUNTRIES--CHINA, SOVIET UNION AND UNITED STATES. INVESTMENTS IN THE PRIMARY SECTOR OF REFORESTATION HAVE TOTALLED 26 BILLION CRUZEIROS (1.6 BILLION DOLLARS) SINCE 1966.

5. LEADING STATES IN REFORESTATION ARE: MINAS GERAIS, WITH 690 THOUSAND HECTARES, SAO PAULO, WITH 570 THOUSAND HECTARES; PARANA, WITH 520 THOUSAND HECTARES;

AND MATO GROSSO, WITH 240 THOUSAND HECTARES. MOST PLANTED TREES ARE EUCALIPTUS (1.3 MILLION HECTARES) AND PINUS (865 THOUSAND HECTARES)--BOTH NON-NATIVES. UNCLASSIFIED

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6. BRAZILIAN EXPOERTS AND COMPANIES INVOLVED IN REFORESTATION HAVE EXPRESSED CONCERN ABOUT DECREASE IN THE REFORESTATION RATE IN LAST THREE YEARS, DUE TO CHANOES IN LEGISLATION WHICH HAVE RESULTED IN DECREASE IN RESOURCES ALLOCATED O PRIVATE COMPANIES. THOSE SOURCES ESTIMATE THAT BRAZIL WILL FACE A DEFICIT OF 1.7 MILLION HECTARES BY 1980, SINCE INTERNAL DEMAND FOR WOOD BY THAT TIME WILL BE IN

THE ORDER OF 2.9 MILLION HECTARES, AND BRAZIL WOULD NOT BE ABLE TO REFOREST MORE THAN 1.2 MILLION

HECTARES AT PRESENT RATES.

7. IN SUMMARY, NOTWITHSTANDING DECREASE IN RESOURCES FOR REFORESTAIN IN LAST THREE YEARS, BRAZILIAN EXPERTS ARE UNANIMOUS IN STATING THAT FISCAL INCENTIVE PROGRAM ADOPTED BY THE BRAZILIAN GOVERNMENT HAS NOT ONLY ALERTED BRAZILIANS TO ENORMOUS FORESTRY POTENTIAL, BUT HAS ALSO ENABLED THEM TO ADOPT FOREIGN TECHNOLOGY IN THIS SECTOR TO BRAZILIAN CONDITIONS OF CLIMATE AND SOIL. EVIDENCE OF THIS IS FACT THAT BRAZIL HAD REPORTEDLY MANAGED TO OBTAIN OVERAGE PRODUCTIVITY OF 45 CUBIC METERS PER HECTARE-YEAR IN THE LAST 10 YEARS, AS OPPOSED TO AVERAGE OF 18 CUBIC METERS BEFORE FISCAL INCENTIVE PROGRAM STARTED. EUROPEAN AVERAGE (PARTICULARLY IN THE PLANTING OF EUCALYPTUS AND PINUS) IS, ACCORDING TO BRAZILIAN EXPERTS, BETWEEN 4 TO 10 CUBIC METERS PER HECTARE-YEAR. CRIMMINS

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